

July 15, 2011

Attn: Compliance Tracker, AE-17J
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

RE: Consent Decree Civil Action No. 1:09-CV-545
Effective Date February 4, 2010

Dear Sirs:

Please find attached the Leak Detection and Repair Compliance Status Report for First Half 2011. Please contact me at (513) 467-2470 or michele.smith@ineos.com if you have any questions concerning the submitted information.

Respectfully Submitted,



Michele A. Smith, P.E.
Lead Environmental Engineer
INEOS ABS (USA) Corporation

cc: M. Palmero, USEPA Region 5
T. Kalman, OEPA
G. Bachmann, Ohio AG
M. Kramer, HCDOES

INEOS ABS (USA) CORPORATION'S ADDYSTON, OH PLANT

CONSENT DECREE COMPLIANCE STATUS REPORT

Consent Decree Civil Action No. 1:09-CV-545

Effective Date February 4, 2010

Reporting Period: 01/01/11 – 06/30/11

I. INTRODUCTION

The following report contains the required information about INEOS ABS' compliance activities associated with the requirements in Paragraph 35.a. through 35.h. in Appendix A of the Consent Decree.

II. COMPLIANCE REQUIREMENTS

Per Appendix A (Enhanced Leak Detection and Repair Program) of the Consent Decree, INEOS ABS met the following compliance requirements:

A. PERSONNEL REQUIREMENTS

1. Plant Personnel – The facility employs one full-time Leak Detection and Repair (LDAR) Monitoring Technician to perform all monitoring at the facility. In addition, we have an additional technician that is trained and can perform monitoring if the main technician is unavailable. The LDAR Administrator is not a full time position, but the engineer assigned to this position spends approximately one-third of their time on administering the program. The Maintenance Department has assigned a mechanic in each process area of the facility to perform LDAR leak repairs as their main priority over all other jobs; this ensures that the repairs are completed in the required timeframe. Recent past performance has shown that the number of employees assigned to the LDAR program is sufficient. Administrative controls have been implemented so that sufficient resources will be utilized if needed to ensure compliance with this program.
2. Contractors - Contractors are used to assist in monitoring connectors at the facility and may be used to level peak work load. No contractors have been used yet in 2011.

B. NON-COMPLIANCE WITH APPENXIX A

Per Paragraph 50 b. of the Consent Decree, INEOS ABS submitted the following letters of noncompliance to the U.S. EPA and Ohio EPA:

1. Missed Pump Monitoring – Letter Dated January 18, 2011
In November and December 2010, one process unit was down and all the pumps associated with that process unit were placed Out of Service until January 2011. However, two pumps associated with that process unit were for a piece of equipment that is also used by another process unit that was running. Therefore, these two pumps should have been monitored in November and December 2010. A list has been created that indicates which pumps are common to more than one process unit. This list will be used when process units are down to determine which pumps should be placed Out of Service and which ones need to remain active. This will prevent missed common pump monitoring at the facility.
2. Missed Connector Monitoring – Letter Dated February 18, 2011
Connectors in an area of one process unit (MEK tank and unloading) were not monitored in 2010. These 110 connectors were monitored on February 15, 2011.

Connectors at the facility were monitored by an outside contractor. The contractor used the facility LDAR drawings to identify and monitor the connectors. A drawing for this area was not given to the contractor and therefore, they did not complete the monitoring. Upon discovery, an audit was completed to determine if there were any other areas in the facility that had not been monitored; none were found. In addition, a procedure was developed where drawings are checked out to the contractor and then returned after monitoring to ensure all areas have been monitored.

3. Missed Monitoring – Letter Dated March 25, 2011

One pump (#00017) that was on the Delay of Repair list was not monitored when it was brought back into Hazardous Air Pollutant (HAP) service. It was monitored eleven days after it was brought online. Three valves (#10411, #10412 and #10413) were added into the LDAR Program but had been in existence before 2010. These valves were subsequently monitored on March 24th, March 21st, and March 25th, respectively.

4. Missed Replacement of Valves in Equipment Replacement/Improvement Program – Letter Dated May 11, 2011

During a critical review of the valves to be replaced or repacked in the Equipment Replacement/Improvement Program, each valve was looked at and challenged to see if a process unit shutdown was required in order to repair or repack. The LDAR Administrator asked production supervisors if their valves could be replaced or repacked without process unit shutdowns. Also at that time, the LDAR Administrator asked site management their position if process unit shutdowns were required. It was then that site management decided that six valves could have been replaced or repacked without the requirement for a process unit shutdown. Historically, these valves would not have maintenance performed on them unless a process unit shutdown was initiated. However, it is technically possible for these valves to be isolated and replaced or repacked. Therefore, these valves should have been replaced or repacked within 30 days of the monitoring event identifying them as leakers. These six valves were replaced on May 13, 2011.

C. PROBLEMS ENCOUNTERED

No problems were encountered in complying with the requirements of Appendix A.

D. COMMERCIAL UNAVAILABILITY OF CERTIFIED LOW-LEAKING VALVES/ PACKING TECHNOLOGY

Only certified low-leaking valves and certified low-leaking packing technology has been used during repairs/replacements of valves and/or packing materials.

E. LDAR TRAINING

Initial training was completed for all employees at the facility in May and June 2010. More detailed training for supervisors was performed on July 22, 2010 and June 28, 2011 and for contractors on July 28, 2010. All contractors who performed LDAR activities are trained on LDAR requirements at the facility and are provided with a copy of Appendix A.

F. QUALITY ASSURANCE/QUALITY CONTROL (QA/QC) AUDITS

QA/QC audits were performed each quarter in 2011 and the following corrective actions were identified and addressed:

1. First Quarter 2011

Methanol and DN3 Recycle LDAR drawings were not accurate. Corrective Action Request (CAR) 0924 was issued to be completed by 03/31/11 – completed 03/11/11 and 02/24/11

It appeared that 18 components were not monitored in 4th quarter of 2010. CAR 0924 was issued to investigate these missed monitors and report findings to be completed by 04/15/11 – completed 04/26/11

Outside contractor monitoring technicians did not use the INEOS standard procedures for calibration. CAR 0924 was issued to be completed by 06/15/11 – completed 06/07/11

Calibrations were being performed using default span increments and not precise gas concentrations. CAR 0924 was issued to be completed by 03/31/11 – completed 03/30/11

Weekly visual inspections in CN/DN were not completed consistently.

CAR 0924 was issued to be completed by 04/15/11 – completed 04/29/11

2. Second Quarter 2011

A review of calibration records revealed one lot of calibration gas where no COA could be found, a period where a non zero gas was used as a zero gas, a period where the 250 ppm gas ran out and 500 ppm was used instead, the wrong expiration date was recorded on calibration sheets, and calibration calculations were not done correctly. CAR 0967 was issued to be completed by 07/15/11.

Observations on weekly pump and agitator checklists included one pump was indicated to be leaking and no action was taken and not all fields on the form were completed resulting in uncertainty if the pumps were inspected.

CARs 0968 and 0969 were issued to be completed by 09/01/11 and 07/15/11, respectively.

Orange repair tags were not on all leaking equipment in the field. CAR 0970 was issued to be completed by 07/15/11.

G. LDAR EXTERNAL AUDIT

The LDAR External Audit was not required in the first half of 2011.

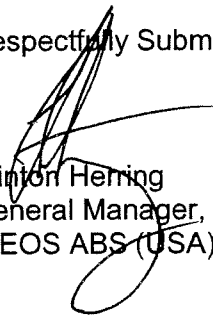
H. CORRECTIVE ACTION PLAN (CAP)

As the external audit was not required in the first half of 2011, a CAP was not completed. One corrective action from the 2010 CAP was completed in the first half of 2011. The corrective action was for all connectors in the C5 area that have leaked to be replaced or sealed. In addition, ten percent of the remaining connectors were also to be replaced or sealed. This corrective action was completed on March 29, 2011.

II. CERTIFICATION

I certify under penalty of law that I have examined and am familiar with the information in the enclosed documents, including all attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for knowingly submitting false statements and information, including the possibility of fines or imprisonment pursuant to Section 113(c)(2) of the Act, and 18 U.S.C. §§ 1001 and 1341.

Respectfully Submitted,


Clinton Herring
General Manager, NAFTA
INEOS ABS (USA) Corporation

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